

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION



UNITED STATES OF AMERICA

v.

DIANE D. STURGIS,

Defendant.

Case No. 1:20-CR-00158(LO)

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

GENERAL ALLEGATIONS

1. The Broadcasting Board of Governors ("BBG") was an independent federal agency of the United States that oversaw public service media networks, including Voice of America ("VOA"). The BBG changed its name to the U.S. Agency for Global Media in or about August 2018.

2. The defendant, DIANE D. STURGIS, was employed as a contract specialist and contracting officer for the BBG's International Broadcast Bureau, Office of Contracts from in or about November 2007 until in or about September 2017. At all times relevant to this information, STURGIS was a "public official" within the meaning of 18 U.S.C. § 201(a)(1). The Office of Contracts was responsible for soliciting, negotiating, awarding, and administering all contracts of the BBG. STURGIS eventually obtained an unlimited contract warrant, and her responsibilities included all aspects of the BBG's procurement process, including pre-solicitation negotiations, bid evaluations, contract awards, contract modifications, and post-award supervision and administration.

3. COMPANY A was a government contractor located in the Eastern District of Virginia. COMPANY A provided staffing, IT solutions, data management, and analytical services to federal agencies, including the BBG. COMPANY A received several contracts, agreements, and task orders from the BBG that were awarded, supervised, and administered by STURGIS, including a blanket purchase agreement (“BPA”) for professional and administrative staffing services that STURGIS awarded to COMPANY A in or about December 2013. Among other things, the BBG used COMPANY A’s BPA to enter into a task order and a series of military interdepartmental purchase request (“MIPR”) agreements with the U.S. Department of Defense (“DOD”) beginning in or around September 2014. The task order, modifications, and MIPRs were used by the DOD to transfer at least \$11 million to the BBG during the initial year to procure services from COMPANY A. STURGIS served as the assigned contracting officer for the BPA, task order, modifications, and MIPRs, and the BBG received a percentage of the funds (approximately eight percent) as a servicing or support fee.

4. PERSON A was COMPANY A’s president and chief executive officer.

5. PERSON B was STURGIS’ relative.

COUNT 1
(Conspiracy)

6. The allegations set forth in paragraphs 1-5 are realleged and incorporated by reference as though fully set forth herein.

7. Beginning no later than in or about November 2014, and continuing thereafter until at least in or about June 2015, in the Eastern District of Virginia and elsewhere, the defendant, DIANE D. STURGIS, PERSON A, PERSON B, and others known and unknown, did knowingly and unlawfully combine, conspire, confederate, and agree together and with each other:

a. To engage in bribery, that is,

i. to directly and indirectly, knowingly and corruptly give, offer, and promise anything of value to a public official and to any other person and entity, with intent to: (A) influence an official act; (B) influence such public official to commit and aid in committing, and to collude in, and allow, and to make opportunity for the commission of a fraud on the United States; and (C) induce such public official to do and omit to do an act in violation of the lawful duty of such official, in violation of 18 U.S.C. § 201(b)(1); and

ii. being a public official, directly and indirectly, knowingly and corruptly demand, receive, accept, and agree to receive and accept anything of value personally and for any other person and entity, in return for: (A) being influenced in the performance of an official act; (B) being influenced to commit and aid in committing, and to collude in, and allow, any fraud, or make opportunity for the commission of any fraud, on the United States; and (C) being induced to do and omit to do any act in violation of the official duty of such official and person, in violation of 18 U.S.C. § 201(b)(2); and

b. To devise and intend to devise a scheme and artifice to defraud and deprive the BBG and the citizens of the United States of their intangible right to the honest services of STURGIS, a BBG contract specialist and contracting officer, through bribery, and to cause wire communications to be transmitted in interstate and foreign commerce for the purpose of executing such scheme, in violation of 18 U.S.C. §§ 1343 and 1346.

Manner and Means of the Conspiracy

The conspiracy was carried out through the following manner and means, among others:

8. STURGIS and PERSON A entered into a corrupt agreement whereby PERSON A would cause COMPANY A to hire and pay STURGIS's relative, PERSON B, to perform little to no work, in exchange for STURGIS: (a) taking and agreeing to take official acts to benefit COMPANY A; (b) committing and aiding in committing, and colluding, allowing, and making opportunity for COMPANY A to commit a fraud against the United States; and (c) doing or omitting acts in violation of STURGIS' official duties as a contract specialist and contracting officer for the BBG.

9. As a part of this corrupt agreement, and in her role as a contracting officer for the BBG, STURGIS agreed to approve and did approve the issuance of a Statement of Work ("SOW") and call order from the BBG to COMPANY A, that authorized COMPANY A to supply the BBG's Office of Contracts with approximately four or five personnel, and to bill the government for those personnel, in return for PERSON A agreeing that STURGIS's relative, PERSON B, would nominally be hired by COMPANY A to fill one of these positions. Specifically, in or about late 2014, in the context of issuing a call order for at least four or five positions at the BBG's Office of Contracts (*i.e.*, a procurement officer, office management, an

administrative clerk, and business consultant), the BBG (using funds derived from the DOD servicing fees) paid COMPANY A approximately \$330,000 to 350,000 in advance of services performed, and STURGIS and PERSON A discussed filling the business consulting position with STURGIS' relative, PERSON B.

10. COMPANY A and PERSON A thereafter retained PERSON B as a business consultant even though PERSON B had no consulting experience in the industry. The position required the consultant to generate periodic reports describing best practices for STURGIS' own office in exchange for payments totaling \$30,000.

11. Between in or about December 2014 and in or about June 2015, COMPANY A issued four payments to PERSON B totaling \$30,000. PERSON B performed no consulting work in exchange for these payments. Instead, STURGIS prepared the periodic consulting reports and accompanying invoices for PERSON B; STURGIS instructed PERSON B to save the periodic reports and invoices on PERSON B's computer and then submit the invoices to COMPANY A and PERSON A. COMPANY A sought approval for payments from the BBG, which STURGIS authorized and approved, thereby performing official acts, knowingly aiding in the commission of, colluding, in, and allowing the commission of a fraud against the United States, and violating her official duties as a contracting officer of the BBG, all corruptly in return for the thing of value provided to PERSON B. The payments to PERSON B occurred during a period in which STURGIS was supervising and administering lucrative contracts, agreements, and task orders that she awarded to COMPANY A and PERSON A, including through the BPA and the MIPR agreement with DOD.

Overt Acts

In furtherance of the conspiracy and to effect its objects, STURGIS, PERSON A, PERSON B, and others committed the following overt acts, among others, in the Eastern District of Virginia and elsewhere:

12. On or about November 17, 2014, PERSON A sent an e-mail to STURGIS' BBG e-mail account asking whether they were still meeting for lunch the following day. STURGIS confirmed that they were meeting for lunch and told PERSON A that the purpose of the lunch meeting was to "iron out staffing[.]"

13. On or about November 17, 2014, STURGIS, using her personal e-mail account, sent an e-mail to PERSON A, attaching PERSON B's resume and stating: "Hi, [PERSON A], The attached resume is for the person we talked about on Sunday, this person [sic] I want to do an assignment base. I will send SOW [statement of work] momentarily. Thanks, Diane."

14. Between on or about November 17, 2014 and on or about November 25, 2014, STURGIS and PERSON A exchanges drafts of the statement of work. The statement of work contained a position for a business consultant candidate.

15. On or about November 24, 2014, STURGIS sent an e-mail to PERSON A, providing PERSON B's personal e-mail address.

16. On or about November 24, 2014, PERSON A left a voice-mail message for STURGIS, indicating that PERSON A wanted to discuss the paperwork.

17. On or about November 24, 2014, STURGIS, using her BBG e-mail account, sent an e-mail to PERSON B, attaching a copy of the statement of work and stating: "[PERSON B], Your description is under consultant."

18. On or about November 24, 2014, STURGIS sent an e-mail to PERSON B, stating: “[PERSON B], Attached is a copy of [sic] invoice to forwarded to [PERSON A] for payment.”

19. Between in or about late November 2014 and in or about early December 2014, PERSON A and PERSON B exchanged e-mails and agreements regarding PERSON B’s retention as a consultant with COMPANY A.

20. On or about December 1, 2014, STURGIS, using her personal e-mail account, sent an e-mail to PERSON B, attaching an invoice for \$7,500 and stating, “Email this invoice tomorrow to [PERSON A], saved it [sic] first on your computer then send. Call me before you send it.”

21. On or about December 9, 2014, COMPANY A issued a \$7,500 check, signed by PERSON A, and mailed it to PERSON B. PERSON B deposited the check into a personal bank account on or about December 18, 2014.

22. On or about January 8, 2015, STURGIS, using her BBG e-mail account, sent an e-mail to her personal e-mail account, attaching a draft insert for the business consultant’s draft progress report, which PERSON B was purportedly preparing.

23. On or about January 9, 2015, STURGIS, using her personal e-mail account, sent an e-mail to PERSON B, attaching a draft invoice and stating: “[PERSON B], The attached invoice should work.”

24. On or about January 12, 2015, after PERSON B sent the invoice to COMPANY A’s finance department and was instructed to send the progress report to COMPANY A, PERSON B forwarded the e-mail exchange to STURGIS’ personal e-mail account.

25. On or about January 12, 2015, STURGIS, using her personal e-mail account, sent an e-mail from her personal e-mail account to her BBG e-mail account, which attached a copy of the business consultant's progress status report.

26. On or about January 13, 2015, STURGIS, using her BBG e-mail account, sent an e-mail to PERSON A, attaching PERSON B's progress status report and stating, "Hi [PERSON A], You can process payment against this invoice. Thanks, Diane[.]" The progress status report was approved and electronically signed on the same day by STURGIS, the assigned BBG contracting officer.

27. On or about January 22, 2015, COMPANY A issued a \$7,500 check, signed by PERSON A, and mailed it to PERSON B. PERSON B deposited the check into a personal bank account on or about January 28, 2015.

28. On or about March 17, 2015, STURGIS, using her personal e-mail account, sent an e-mail to PERSON B, stating: "[PERSON B], Attached invoice needs to be save [sic] on your computer and then send back to me so I can forward to [PERSON A] for payment."

29. On or about March 17, 2015, STURGIS, using her personal e-mail account, sent an e-mail to PERSON A, stating: "I have reviewed invoice and has [sic] certified for payment. Diane[.]"

30. On or about March 30, 2015, after PERSON B sent an e-mail to STURGIS' personal e-mail account with bank account and routing information, COMPANY A sent a \$7,500 payment to PERSON B through interstate wire communications.

31. On or about May 21, 2015, STURGIS, using her personal e-mail account, sent an e-mail to PERSON B, attaching a draft of PERSON B's final report to the BBG.

32. On or about May 26, 2015, STURGIS, using her BBG e-mail account, forwarded PERSON B's invoice to COMPANY A's finance department instructing COMPANY A to pay the invoice and advising that PERSON B's work had been completed.

33. On or about June 5, 2015, COMPANY A transmitted a \$7,500 payment to PERSON B through interstate wire transmissions.

(In violation of 18 U.S.C. § 371)

Forfeiture Allegation


Pursuant to Federal Rule of Criminal Procedure 32.2, the defendant is hereby notified that upon conviction of the offense charged in Count 1 of this Criminal Information, she shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the offense charged in Count 1. The United States may also seek an order forfeiting substitute assets if the proceeds of the offenses are not available.

(In accordance with 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

G. Zachary Terwilliger
United States Attorney

Corey R. Amundson
Chief, Public Integrity Section

Date: July 7, 2020

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